



RETHINKING YOUR PRINT SHOP?

How to Right-size Your Print Shop
and Eliminate Unnecessary
Operational Costs

Every \$1 spent on printing can cost another \$9 to
manage over the lifecycle of a document

01

YOUR GUIDE TO RIGHT-SIZING YOUR PRINT SHOP

Right-sizing your print shop helps create savings and streamline your operations.

Right now, internal print shops are a polarizing topic for businesses. Today, enterprises are estimated to spend about 3% of their yearly revenue generating documents alone, while the average office worker prints 10,000 pages per year.

Even though internal print shops seem convenient, they are actually an inefficient option that can drain your pockets from operational costs alone. Pouring money into

keeping your printing on-site only adds to your bottomline while limiting your print flexibility.

As a print partner, we have increasingly been hearing that companies are dissatisfied with their internal print shops. We interviewed IT and Procurement Managers to find out more about the challenges facing internal print shops, alternatives in the market, and how you can move forward.

Based on our research and interviews, we will examine internal print shops and help you determine whether it is time to downsize yours.

WHAT YOU'LL LEARN:

- Challenges Facing Internal Print Shops
- The New Model: Right-Sizing Your Print Shop
- The Different Ways to Right-Size
- First Steps to Downsizing

Through this guide, we hope to give you the exact information you'll need to decide if downsizing is right for you. To begin, let's start with the challenges.

02 CHALLENGES FACING INTERNAL PRINT SHOPS

Companies with internal print shops have long-since stopped realizing the benefits of the in-house resource. As print needs modernize with today's workforce, the print shop increasingly becomes a burden.

Keeping your print on-site leads to several challenges, resulting in the following issues:

INEFFICIENCY

Running your own print shop leads to many inefficiencies, including the inability to fulfill print jobs, decelerated print production, and mismatched print methods.

Most print shops are set up to run on one print method: offset or on-demand. On-demand allows for printing items as you need them, while offset is for large quantity print jobs (usually with a 500-item minimum). Either of these can save you time once you've decided what works best.

However, different departments need different types of print. For example, marketing might need to print ten thousand brochures for an event, while training might need just twenty

copies of a binder. If these orders all funnel to your print shop at the same time, your shop will not be able to fulfill them efficiently and in a timely manner for each department.

One association we interviewed says running their own print shop drastically slowed down their operations. A lack of systems in place to replenish orders and keep track of current print jobs left their print shop disorganized and employees without their printed documents.

Creating an efficient process for printing must be worth what you get out of it. If not, then you are throwing money away

RESOURCE USAGE

Your print shop's real estate is contributing to wasted resources.

One association mentions that the upkeep of their print shop became a large expense due to the cost of its location. The print shop located in a building on the company campus proved to be a burden due to maintenance and having

to pay for the real estate. Ultimately, the size of the print shop is what proved to be a waste of resources.

Putting money and effort into keeping a shop open will become a noticeable expense that will impact your bottom-line. Before it does, ask whether or not it's worth the money.

LACK OF TRANSPARENCY

When your print center is a service center, not a business, it is harder to get clear views into how it is running. Many of our interviewees reported that their print shops were unable to provide basic reports such as departmental budget issues and up-to-date inventory.

- Lack of reporting
- Faulty budgeting
- Poor inventory processes

Not having all available information about your print shop results in a lack of transparency, causing your shop to become unaccountable for its operational cost. This problem comes as a result of:

Having no working knowledge of what is happening in your print shop is toxic to your work environment. You simply won't know what is being spent on your budget without thorough reporting.

03 THE NEW MODEL: RIGHT-SIZING YOUR PRINT SHOP

WHY RIGHT-SIZING WORKS

SAVINGS

Internal print shops are colossal cost centers. Not only do you have the cost of print, but they also drain maintenance budgets for both equipment and real estate.

By successfully right-sizing your print shop, your company can reduce the physical footprint of your shop and leverage providers' lower cost of printing. One study found that by leveraging Managed Print Services (MPS) instead of internal print shops, organizations can reduce operating costs by 20-30% and hardware costs by up to 60%.

An anonymous IT Manager from a major electronic design brand shared that downsizing their internal print shop saved the company a bundle. "For the overall company, there is a lot of cost savings. Somewhere north of \$250,000 a year just from what we were paying for manpower and equipment."

TRANSPARENCY

Since internal print shops are services, rather than businesses, they struggle to provide the reports you need. By contrast, your print partners are set up to share reports on everything from print spend to inventory management.

When one IT manager switched from an in-house shop to a third-party provider, he confessed, "We had people who would print calendars, college graduation invitations and other personal orders. We found it to be a service that took up space and proved to be too expensive for us."

Outsourcing to a managed print partner will allow you to see reports of what has been ordered and printed from your external provider. This will improve the transparency of your print jobs without having to deal with employees sending unnecessary documents to your print shop.

04 THE DIFFERENT WAYS TO RIGHT-SIZE

Rightsizing your print shop matches your organization's print needs to print providers, which means you save in budget and resources. As the name implies, rightsizing will look different for every organization. Here's what it might look like for you:

SHUT DOWN AND OUTSOURCE

Right-sizing a print shop can sometimes mean shutting it down completely. By closing its doors, you are electing to outsource your print needs to a print provider for satisfaction of your offset and on-demand needs. This external provider will be determined and hired based on their experience in producing the materials you need.

BENEFITS

Outsourcing to a provider will help your company leverage print collateral through top-of-the-line print production at the provider's facilities. The benefits of having an external provider include:

- Cost savings
- Easier tracking
- Better print management

An external provider can print documents at a fast pace and tell you how much each costs. Moreover, this will be reported to your company on a frequent basis to help you determine what you spend in a month and how much you've saved.

Outsourcing provides a solution that manages your print jobs more efficiently. By eliminating your print shop, you hand the responsibility to a provider that can take your orders, create professional documents and deliver them in a timely manner. This saves you time and money, which proves to be the biggest draw to this option.





DRAWBACKS

The biggest drawback to this option is the absence of printing on your company's campus. Companies love having the convenience of a print shop nearby, even if it costs them more than what an external provider costs.

Employees must overcome the lack of a print shop by understanding the new print process, even though the transition can be complicated. To combat this, it's best to have an onboarding process where external provider representatives hold multiple learning sessions to show employees how to order.

Through this tutoring, employees will be able to understand the new process and adapt accordingly. This drawback will cause some gripes at the beginning, but just know that they will not last long as your external provider takes over.

KEEP IT AND OUTSOURCE

In this “best of both worlds” scenario, you can choose to keep your print shop operating while outsourcing print jobs to an external print provider. If you’re downsizing without getting rid of your shop, then there are obviously things you want to keep in-house. This option will allow you to print sensitive documents on-location without having to worry about the security of their contents.

BENEFITS

We’ve discussed how having an internal print shop can be daunting, but right-sizing it will result in a decrease of your internal footprint. This is done by lending larger print jobs to outsourced machines better suited to support your needs that drive the requirement of an on-site facility.

By outsourcing to these machines, you can “best fit” the right option to the right job without having to waste resources. Should you choose this option, you’ll see that outsourcing jobs for distribution or for complex finishing options will be done easier through an external partner.

As for your on-site print shop, it would continue to support same-day jobs for simple printing and finishing needs with no distribution required. Altogether, this results in a more efficient print model where you are connecting the perfect job to the perfect source.





DRAWBACKS

Even if you choose to shrink your print shop, keeping it open will still result in the fixed cost of on-site print production that will go towards operations and maintenance. Your budget should be dedicated to the cost of printing, which would likely be lower should you choose to close the shop entirely and go with an external print provider.

Additionally, trying to use your shop for offset print jobs could prove to be a significant burden, especially when it comes to distribution. Should you choose this option, beware of the after effects that come from keeping your print shop open. Not only would it be more expensive, but it will also pose a problem of how to deliver your print materials.

Overall, you don't need equipment for peak print performance. External print providers will give you the ability to hit your peak without the cost of having production equipment available at all times. This way, you won't have to waste money on keeping seldom-used equipment.



05 FIRST STEPS TO RIGHTSIZING

Whether you are choosing to rightsize or completely downsize, here's the project outline to get started:

1. DETERMINE THE COST OF THE PRINT SHOP

According to our customer interviews, determining the operational costs was the first step on each manager's downsizing to-do list. "Each organization looks for ways to reduce

cost, so eliminating the on-site print shop became a target as a cost-reduction measure. This was a chance for us to begin the process," said one IT Manager.

Start by examining available records on what the company has spent within the last few years on the following:

- Print Equipment
- Print Maintenance
- Print Shop Staff

Go a step further by looking at which month(s) in recent years where your print shop has been the most active. This will help inform you which times of the year require the most printing.

Learning about operational print costs will lead to further questions regarding print jobs in the office.

2. TALK TO EMPLOYEES

The best way to understand print jobs is to visit the source: employees. Start the conversation about print needs with those that order on a regular basis. Ask questions like:

- How often do you print?
- What types of documents?
- Have you seen an increase in printing within your department?
- What items do you print on a weekly basis?
- Who prints the most in your department?

By asking these questions, you will understand what your office needs to print. From here, you can determine the employee demand for print and how any internal print shop alterations will affect that demand.



3. DO YOUR RESEARCH ON ALTERNATIVES

After finding out the costs and demand of your internal print shop, take the time to research what print alternatives are available to your company. See which ones can offer the most effective creation and delivery of your print materials, while comparing each to your existing process.

“Once we started looking at candidates as an offsite service to replace the print shop, we were looking at factors like completion time of projects, shipping, track record of work at the corporate and global levels,” said one IT Manager.

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- What does your business require?
- What can your business live without?
- Where do you foresee your business going in the next decade?
- What is the volume of each order?
- Do you need to kit documents with other items (ex: brand merchandise)?
- How do you distribute your print? Do you require shipping services?
- Can you find an all-in-one vendor for all your print needs?

Some alternatives are meant for larger businesses that want global distribution, while other businesses look for local delivery of their print materials. Other printers are one-stop-shops that can handle on-demand, offset, and even other printed materials (like promotional merchandise).

Make sure the printer you select fits your business needs. If a new option can satisfy production of your current documents, then you’ve got yourself a winner.

4. DUE DILIGENCE

This step requires hard work on your part to make sure your options are capable of fitting your needs. We recommend getting a tour of the production facilities for each option and have them answer your questions on what they are able to produce.

Go the extra mile by speaking to current customers with similar requirements to yours. Their customer experience should give you a good idea of how yours would be with each option. Ask these customers about the quality of their orders and the communication with the print provider.

For a proper outline of each option's capabilities, send out request-for-proposals (RFPs) or security tests as required by your organization to each provider. From here, you can view and compare each alternative before proceeding to the next step.



5. MAKE A DECISION

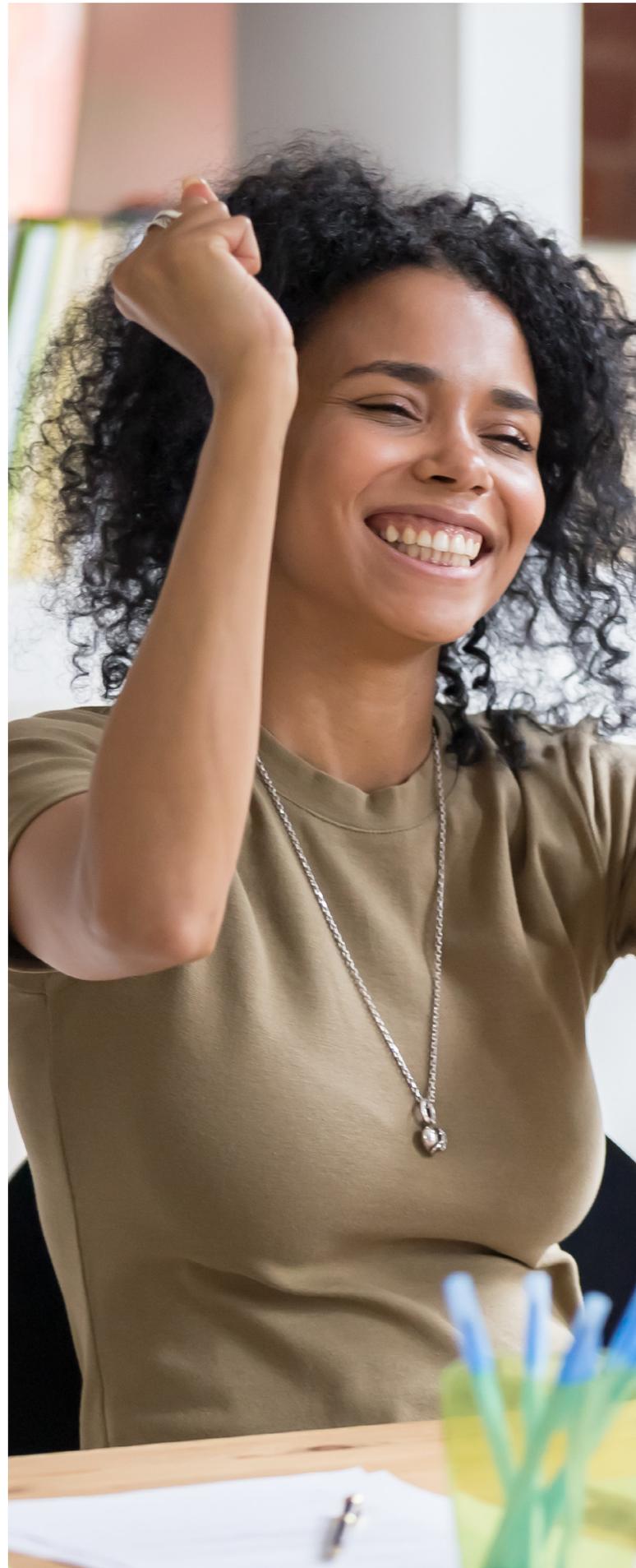
Now for the step we've all been waiting for. It's time to make a decision!

After weighing operational costs, along with employee feedback and what alternatives fit your company needs, you can now make an informed decision that will prioritize your business needs and ensure success for your company.

Ultimately, the decision will come as a result of whether or not you believe your print shop needs downsizing. Be sure to look at your research and ask yourself:

- Do you need to keep the print shop as is?
- Do you need to downsize but keep the print shop?
- Do you need to eliminate the print shop altogether?

The most important note for this step is to do what is best for the company's long-term plans.



6. GIVE EMPLOYEES NOTICE ON CHANGES

To prevent any issues surrounding the shutdown of your internal print shop, it is vital that you give employees notice of its closing.

One IT Manager commented, "We didn't announce the change until 10 days before the print shop was removed, but this didn't give us the amount of time needed to get the message out. I would take at least a month to give end users a chance to use either the print shop or the new provider for print jobs."

By informing them in advance of the change, you give them time to prepare for the new process and plan ahead for upcoming print jobs.

In an effort to onboard employees efficiently, be sure to set up multiple contact meetings with your new print provider. As a rule of thumb here at Mimeo, we usually recommend 3-5 on-site meetings to train employees on the new print process.



7. SLOWLY TRANSITION

Perhaps the most important step is the final one: Take it slow! It's easy to flip a switch and tell employees that they will be using the

new service once your internal print shop is completely closed. But to help the transition, try offering both services at the same time.

Have an overlapping month of your internal print shop and the new print provider just to give employees a choice in their printing. Be on the lookout for road blocks such as:

- Dealing with employees reluctant to switch from internal print shop to new print process
- Answering questions about the new process
- Preparing instructional materials for employees to understand new print process

All staff members must get a hold of the new process to easily segue out of the old one. Not everyone can adjust immediately, so take the time to let them do it on their own.



06 DO WHAT'S RIGHT FOR YOU

If you want to start saving on costs, then it's time to look at right-sizing your internal print shop.

Based on our research and interviews, you now see how relieving the burden of an internal print shop can be done. By choosing the proper right-sizing option, you can use an external print provider for larger print jobs and distribution without having to worry about cost.

Not only can right-sizing be an effective method of saving money, but it can also save you time in producing the documents you need. As long

as you complete research on the best available alternatives, you will inevitably find the perfect option for your business.

Need information on what external print options are available? Schedule a consultation with Mimeo today and we'll walk you through our process to help you decide what solution works best for you.

THANK YOU

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Thank you for reading our guide to managing internal print shops.

Mimeo was founded in 1998 as a technology company that focuses on delivering top-of-the-line print solutions for its customers. Unlike most printers who have tried to incorporate technology retroactively, we invented our technology alongside our production process to create a 21st-century print solution. Our mission is to give our customers back their time, through leveraging technology to order and distribute printed products in a fast and reliable fashion.

Thanks to our dedicated Mimiacs, we have established partnerships with clients such as Hyatt Hotels, Siemens and Motorola. Today, we have production facilities with state-of-the-art equipment and systems positioned in the United States, UK and Germany. Right now, we are in the process of further expanding our solutions into other parts of the world to make distribution effortless on a global scale. For more information on Mimeo, visit www.mimeo.com to view our print solutions and see which one is right for you.